

TURNING AN EXPENSE INTO A PROFIT CENTER

Richard Smith, owner and operator of RJ Smith Concrete, Inc., from Richmond, VA is excited about the future for his Central Virginia recycling operations. He entered into the recycling business because it was a natural progression from his demolition division and it was motivated by principal. Smith said “I wanted to find a way to save on over-priced tipping fees. I remember the day my driver called me and it was going to cost \$700 to dump a load of concrete. It was in that moment that I rejected the common thinking that it’s okay to get over-charged and waste resources.” That was the last time he ever used a landfill for concrete demo disposal.

HELLO CRUSHER, GOODBYE DUMP

Smith purchased his first machine in 2005 and began crushing in 2006 and openly admitted to having a big learning curve. He educated himself on size, production rates, and factors that contributed to increased productivity. After several years of growth the machine he had just wasn’t meeting production demands and he realized he had to upgrade. He sold that machine and then spent two years “testing” different rental machines. Renting is a great option because there are plenty of machines in the marketplace to choose from and they more than pay for themselves. Dealers, like Commonwealth Equipment, are eager to offer rent-to-own options.



MAN CANNOT LIVE BY CRUSHER ALONE

While the crusher may be the star of the operations show, the screener holds a key



supporting role and when the two are synchronized, production and quality get a standing ovation! On his second purchase, Richard spent more time analyzing each step of the process, giving the details and the equipment specs much more respect as he shifted his sights on higher production and quality. He also relied on the expertise of

Commonwealth Equipment, who became a consultant to Smith and recommended the McCloskey line.

After being introduced to the McCloskey line of equipment and testing it, Richard realized why McCloskey had earned their strong reputation. Smith said it was a straight forward business equation....higher production + simplicity in operating = efficiencies and profits. Smith made his final decision in 2011 to invest in an entire new equipment package



from McCloskey including a J50 Jaw Crusher, S130 Triple Deck Screener, two 50' stackers and two 80' stackers. He found a balanced value solution in their pricing, efficiency, and quality. Smith has exceeded growth goals while not maxing out production capacities and still has approximately 50% more growth potential with his current equipment portfolio. To give you an idea, sales have increased 100% from FYE 2011 to FYE 2013 and Smith is at 50% operational capacity.

NECESSITY IS THE MOTHER OF INVENTION

When questioned about growth, Smith said “the foundation of every business I have ever built started by solving clients’ problems and grew from there.” Recycled Concrete Aggregates (“RCA”) offers many solutions ranging from logistics, cost savings, product strength and better stewardship of resources through recycling.” Technology is to production as employees are to exceptional service and that pair have provided a foundation for success. Smith has already started Phase III of his 2014 expansion plans by teaming up again with McCloskey and Commonwealth to find the perfect new additions to his growing operations.

SHARING SOLUTIONS

RJ Smith Concrete has been able to achieve phenomenal growth in spite of the fact that their primary recycling center, located in Central Virginia, in the heart of the Richmond Metro Area, is competing with 10 traditional quarries and 4 RCA recycling centers, including his. The consumer has 14 options to choose from when deciding on quarry stone or RCA. When asked how his new center so quickly differentiated itself, Smith said “it started with logistics on the incoming raw product.” Smith’s centers are strategically located which saves money in hauling costs, ease of access and time in/out. Smith said a dump truck can drop/dump/dispose at his site in less than 10 minutes. Quality and Service also help sell the RCA product. Smith has the highest quality of recycled aggregate. When asked to clarify quality, Smith was quick to explain that the McCloskey equipment has been able to put processes in place to eliminate contaminates from their

product. Quality control measures are in place to insure that the end product is as clean as possible and the end users see the difference in the Smith products. He says his products are not the cheapest, so consumers are making educated decisions and choosing quality over price. Smith smiled and spoke with pride about his trucking fleet and the level of service that his fleet provides to his clients. Unlike most quarries, Smith self-performs all hauling.



RESISTANCE TO CHANGE-BOTH A CHALLENGE AND AN OPPORTUNITY

Smith said his greatest challenge has been educating the construction community on the benefits of RCA while overcoming their resistance to change... There are still owners that will only use traditional stone. RCA is continuing to gain respect in the aggregate markets and Smith is seeing growth in his client base from GC's, municipalities, homeowner and especially engineering professionals, which have started to embrace the products as they see first hand the benefits in their construction projects.

IT'S ALWAYS BEEN ABOUT SERVING OTHERS

At the conclusion of the interview when asked why Smith entered the recycling aggregate business, he said that he had to give back by keeping product out of the landfills and repurposing it; to protect the environment, and save his clients money and what grew from that was a sound business model that created jobs in the community where he grew up.

Smith is thankful for the business relationships he has with his clients, and his supporters like Commonwealth Equipment, the dealer, and McCloskey, the manufacturer. Richard has received good advice along the way, but he was quick to point out that his staff is the reason for his success. At the beginning, end and everywhere in between, it's still about people doing business with people.

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